

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

APPLICATION OF WHITINSVILLE  
WATER COMPANY FOR APPROVAL  
OF REVISED RATES AND CHANGES  
IN COMPANY'S RULES AND  
REGULATIONS

D.T.E. 06-64

PETITION OF THE TOWN OF NORTHBRIDGE  
FOR LEAVE TO INTERVENE

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Now comes the Town of Northbridge and moves the Department, pursuant to 220 CMR 1.03, for leave to intervene in the above-captioned proceeding. The Town of Northbridge has an address of Town Hall, 7 Main Street, Whitinsville, MA 01588.

REASONS FOR INTERVENTION

Pursuant to 220 CMR 1.03(1)(b), the Town of Northbridge states that it is substantially and specifically affected by the application of Whitinsville Water Company as follows:

1. The Town of Northbridge is the largest single purchaser of water from the Company. It also acts as representative for those customers and business residents in Northbridge that purchase water directly from the Company. As a result of a water service division, the Town contains two water service areas: one in which customers purchase water directly from the Company (the Company Service Area) and one in which customers purchase water from the Town, which first purchases it from the Company and then distributes it to residential and business customers (the Town Service Area). Exhibit SBA1 to the Direct Testimony of Stephen B. Alcott, submitted in support of the Company's application, shows the test year (2005) amounts paid by the Town for water as \$369,318 (sales for resale). Separately, the Town also paid \$280,158 for municipal fire hydrant charges. (See Exhibit SBA1) Thus, of

the \$1,466,928 total reported revenues from water sales (Id.), the Town paid \$649,476, or 44.3 percent.

2. The Company's proposed rate increase is exceptionally high, 33.37 percent (33.37%), and will affect all users who derive their water from the Company. Since its last rate increase in 1997 (D.P.U. 96-111), the Company has acquired several hundred new water service connections. According to the Direct Testimony of Company general manager Donald Bunker filed with the application, the Company has approximately 650 new customers. Town records indicate that approximately 840 building permits have been issued during the period of January 1, 1997 to August 31, 2006. Thus, the number of additional service connectors, and consequent revenue to the Company is substantial.

A great number of these connections are to new dwellings in residential subdivisions for which the builders performed installation of the necessary piping and hydrants and made the physical connection to the existing water supply system, thereby saving the Company from such expenditures and providing a greater return on rates collected.

3. The "lump sum" annual charge method for public fire protection service (hydrants) results in an inequitable allocation of costs. This charge must be paid from municipal tax receipts, which are paid by all property owners. However, there are geographic areas within the Town that are not actually served by any hydrants.

#### RELIEF SOUGHT

The Town seeks relief in the form of an order which approves only such an increase as is justified on the basis of the current operating conditions of the Company and the cost savings and capital developments it has received on a zero cost basis. The Town also seeks an order that

provides for an equitable cost allocation for fire protection service (hydrants) and allows hydrant charges only to the extent of actual cost to the Company.

#### NATURE OF EVIDENCE TO BE PRESENTED

The Town will present documentation concerning the new service connections and attendant cost savings to the Company described above, and the respective areas and functioning of the Company Service Area and the Town Service Area. The Town will also provide a description of services and benefits it provides to the Company in the maintenance and operation of hydrants.

WHEREFORE, the Town requests that its petition be granted.

TOWN OF NORTHBRIDGE

By its attorneys,

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#### CERTIFICATE OF SERVICE

I, David J. Doneski, hereby certify that I served the foregoing Petition to Intervene by mailing this day a copy of same to counsel for the Company:

Eric J. Krathwohl, Esq.  
Rich May, P.C.  
176 Federal Street  
Boston, MA 02110

DATED: 9/27/06

294161/NBRI/0079

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David J. Doneski